

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA**

**Basic Financial Statements  
and Independent Auditors' Reports  
As of and for the Year Ended June 30, 2009  
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/23/09

**LOUISIANA STATE BOARD OF NURSING**  
**17373 Perkins Rd.**  
**Baton Rouge, LA 70810**  
**(225) 755-7500**

**GOVERNING BOARD**

As of June 30, 2009

Nursing Educators

Bonnie B. Johnson, RN, MSN  
Gail M. Porrier, RN, DNS  
Nora Steel, DNS, RN, C, PNP

Nursing Administrators

Gerald W. Bryant, RN, MSN  
Frankie Rosenthal, MSN, RN, CNA, CNS

Other Areas of Nursing

Carlene MacMillan, RN, MN  
Deborah Olds, RN  
Michelle T. Oswalt, CRNA

Advanced Practice Nursing

James E. Harper, RN, MSN, CFNP

Non-Voting Medical Doctors

Alan J. Ostrowe, MD  
William St. John LaCorte, MD

Barbara Morvant, Executive Director

**LOUISIANA STATE BOARD OF NURSING**  
**17373 Perkins Rd.**  
**Baton Rouge, LA 70810**  
**(225) 755-7500**

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**LEROY J. CHUST'Z**  
**CPA, APAC**

P. O. Box 158  
Denham Springs, LA 70727-0158  
225/6675-2700  
Fax: 225/667-3553

**BEVERLY A. RYALL**  
**CPA**

7426 President Drive  
Baton Rouge, LA 70817  
225/752-5147  
Fax: 225/752-5147

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

**Board Members of**  
**Louisiana State Board of Nursing**  
**Department of Health and Hospitals**  
**State of Louisiana**  
**Baton Rouge, Louisiana**

We have audited the accompanying basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, as listed in the Table of Contents. These basic financial statements are the responsibility of the **Louisiana State Board of Nursing's** management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the **Louisiana State Board of Nursing**, as of June 30, 2009, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis, as listed in the Table of Contents, is required supplementary information and therefore, is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2009, on our consideration of the **Louisiana State Board of Nursing's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Louisiana State Board of Nursing's** basic financial statements. The accompanying

supplementary information, such as the Division of Administration Reporting packet, as listed in the Table of Contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the **Louisiana State Board of Nursing**. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Leroy J. Chustz***

Certified Public Accountant, APAC

August 17, 2009

***Beverly A. Ryall***

Certified Public Accountant

## **Required Supplemental Information**

### **Management's Discussion and Analysis**

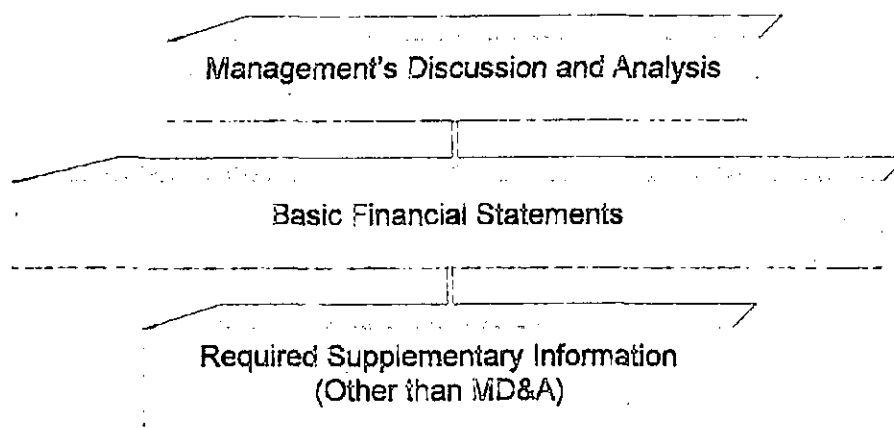
The Management's Discussion and Analysis of the Louisiana State Board of Nursing's financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction the Louisiana State Board of Nursing's financial statements, which begin on page 7.

## FINANCIAL HIGHLIGHTS

- ☆ The Louisiana State Board of Nursing's assets exceeded its liabilities at the close of fiscal year 2009 by \$8,533,586 which represents a 13.68% increase from last fiscal year. The net assets increased by \$1,027,013.
- ☆ The Louisiana State Board of Nursing's revenue increased \$48,824 or .89% and the net results from activities increased by \$66,270 or 6.89%.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

### Basic Financial Statements

The basic financial statements present information for the Louisiana State Board of Nursing as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Nursing is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the Louisiana State Board of Nursing's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the Louisiana State Board of Nursing's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

## FINANCIAL ANALYSIS OF THE ENTITY

### Statement of Net Assets as of June 30,

	Total	
	2009	2008
Current and other assets	\$ 7,977,287	\$ 6,926,896
Capital assets	3,698,859	3,782,199
Total assets	<u>11,676,146</u>	<u>10,709,095</u>
Other liabilities	311,636	686,287
Long-term debt outstanding	2,830,923	2,516,235
Total liabilities	<u>3,142,560</u>	<u>3,202,522</u>
Net assets:		
Invested in capital assets, net of debt	1,736,224	1,712,431
Restricted	-	-
Unrestricted	6,797,362	5,794,142
Total net assets	<u>\$ 8,533,586</u>	<u>\$ 7,506,573</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the Louisiana State Board of Nursing increased by \$1,027,013, or 13.68%, from June 30, 2008 to June 30, 2009.



**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
for the years ended June 30,**

	<u>Total</u>	
	<u>2009</u>	<u>2008</u>
Operating revenues	\$ 5,304,774	\$ 5,201,306
Operating expenses	(4,266,501)	(4,375,479)
Operating income(loss)	<u>1,038,273</u>	<u>825,827</u>
Non-operating revenues	106,997	259,228
Non-operating (expenses)	(118,257)	(124,313)
Income(loss) before transfers	<u>1,027,013</u>	<u>960,742</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ <u><u>1,027,013</u></u>	\$ <u><u>960,742</u></u>

The Louisiana State Board's total revenues increased by \$48,824 or .89%. The total cost of all programs and services decreased by \$115,034 or 2.56%.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2009, the Louisiana State Board of Nursing had \$3,698,859 invested in a broad range of capital assets, including land, building, and various office equipment. This amount represents a net decrease (including additions and deductions) of \$83,340, or 2.20%, over last year.

	<u>2009</u>	<u>2008</u>
Land	\$ 1,150,000	\$ 1,150,000
Buildings and improvements	2,287,547	2,339,887
Equipment	<u>261,312</u>	<u>292,312</u>
Totals \$	\$ <u><u>3,698,859</u></u>	\$ <u><u>3,782,199</u></u>

This year's major additions included (in thousands):

- Building improvements - \$7,984
- Equipment - \$42,961

## Debt

The State Board of Nursing had \$1,962,635 notes outstanding at year-end, compared to \$2,069,768 last year.

### Outstanding Debt at Year-end

	<u>2009</u>	<u>2008</u>
General Obligation Bonds	\$	\$
Revenue Bonds and Notes	<u>2,069,768</u>	<u>2,170,846</u>
Totals \$	<u><u>2,069,768</u></u>	<u><u>2,170,846</u></u>

Other obligations include accrued vacation pay and sick leave.

## VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$21,114 under budget and expenditures were \$451,886 more than budget due in part to the annual cost of other post employment benefits.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board expects that next year's expenditures will increase as a result of additional staff and related benefits.

## CONTACTING THE LOUISIANA STATE BOARD OF NURSING'S MANAGEMENT

- This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana State Board of Nursing's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board office at (225)755-7500.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Proprietary Fund Financial Statements:
  - Enterprise funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF NET ASSETS  
JUNE 30, 2009

**ASSETS**

***Current Assets***

Cash and cash equivalents	\$ 3,899,487.00
Investments - Market Value	4,058,491.56
Receivables	300.00
Prepaid expenses	19,008.00
<b>Total Current Assets</b>	<u>7,977,286.56</u>

***Noncurrent Assets***

Capital Assets (net)	3,698,859.42
<b>Total noncurrent assets</b>	<u>3,698,859.42</u>

<b>TOTAL ASSETS</b>	<u>11,676,145.98</u>
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**LIABILITIES**

***Current Liabilities***

Accounts payable	64,284.70
Accrued payroll and deductions	135,550.99
Current portion of long term debt	111,800.61
<b>Total Current Liabilities</b>	<u>311,636.30</u>

***Noncurrent Liabilities***

Compensated absences	162,807.99
Note payable, less current portion	1,850,834.24
OPEB Payable	817,281.00
<b>Total Noncurrent Liabilities</b>	<u>2,830,923.23</u>

<b>TOTAL LIABILITIES</b>	<u>3,142,559.53</u>
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**NET ASSETS**

Investment in capital assets, net of related debt	1,736,224.57
Unrestricted	6,797,361.88
<b>TOTAL NET ASSETS</b>	<u><u>\$ 8,533,586.45</u></u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009**

***OPERATING REVENUES:***

Licensing, permits, and fees -	
Licenses	\$ 4,620,840.00
Examinations	277,100.00
Enforcement actions	164,505.00
Other operating revenues	<u>242,329.22</u>
Total Operating Revenues	<u>5,304,774.22</u>

***OPERATING EXPENSES:***

**Licensing Program**

Personal services -	
Commissioners per diem	4,350.00
Salaries	1,902,381.95
Employee benefits	986,739.39
Travel	63,850.79
Operating services	525,831.79
Supplies	215,677.40
Professional services	433,385.67
Depreciation expense	<u>134,284.48</u>
Total Operating Expense	<u>4,266,501.47</u>

Operating Income (Loss)	<u>1,038,272.75</u>
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***NON-OPERATING INCOME (EXPENSE)***

Interest earnings	106,996.96
Interest expense	<u>(118,256.58)</u>
Total non-operating income	<u>(11,259.62)</u>

Increase (decrease) in Net Assets	1,027,013.13
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<i>Net Assets as of June 30, 2008</i>	<u>7,506,573.32</u>
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<i>Net Assets as of June 30, 2009</i>	<u><u>\$ 8,533,586.45</u></u>
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The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009

<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 5,304,774.22
Cash payments to suppliers for goods and services	(1,622,701.66)
Cash payments to employees for services	<u>(2,459,449.68)</u>
Net cash provided (used) by operating activities	<u>1,222,622.88</u>
<b>Cash flows from capital and related financing</b>	
Principal paid on notes payable	(107,133.54)
Interest paid on notes payable	(118,256.58)
Acquisition of capital assets	<u>(50,944.83)</u>
Net cash provided (used) by financing activities	<u>(276,334.95)</u>
<b>Cash flows from investing activities</b>	
Purchases of Investments	4,080,025.77
Proceeds from sale of investments	(4,162,683.61)
Interest earned on certificates of deposit and investments	<u>106,996.96</u>
Net cash provided (used) by investing activities	<u>24,339.12</u>
Net increase (decrease) in cash and cash equivalents	970,627.05
Cash and cash equivalents at beginning of year	<u>2,928,859.95</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 3,899,487.00</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating</b>	
Operating income (loss)	\$ 1,038,272.75
Adjustments to reconcile operating income (loss) to net cash	
Depreciation	134,284.48
Changes in assets and liabilities:	
(Increase) decrease in receivables	2,240.75
(Increase) decrease in prepaid expenses	654.05
Increase (decrease) in payables	(398,603.57)
Increase (decrease) in accrued payroll and related benefits	19,303.95
Increase (decrease) in compensated absences payable	5,605.79
Increase (decrease) in OPEB payable	<u>420,864.68</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,222,622.88</u></u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.A. INTRODUCTION**

The Louisiana State Board of Nursing (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:911. The Board is under the control of the Department of Health and Hospitals and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board, which is composed of eleven (11) members appointed by the Governor of Louisiana for a term of four years. The Board consists of nine registered nurses selected from a list submitted by the Louisiana State Nurses Association and two physicians from a list submitted by the Louisiana State Medical Society, who serve as ex officio members of the Board as advisors and have no voting privileges. The nine nurses are composed of the following:

1. Two nursing service administrators
2. Three nursing educators
3. Three engaged in other areas of nurse practice
4. One advanced practice registered nurse

The Board elects from its members a president, vice president, and such other officers as it considers necessary to carry out the duties and functions of the Board.

As authorized by Louisiana Revised Statute 37:914 E., each member of the Board shall be receive \$75.00 a day and reimbursement for actual expenses and mileage at the same rate set by the Division of Administration for state employees under the provisions of R.S. 39:231 for each day in actual attendance at board meetings or for representing the Board in an official board-approved activity.

The Board is charged with the responsibility of licensing and regulating registered nurses in the State of Louisiana. Act 633 of the 1995 Legislative Session amended the Nurse Practice Act to require licensure of Advanced Practice Registered Nurses (APRNs). At June 30, 2009, approximately 49,100 registered nurses and 2,822 APRNs were licensed.

The Board's office is located in Baton Rouge, Louisiana, and employs 37 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

**1.B. FINANCIAL REPORTING ENTITY**

GASB Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The Louisiana State Board of Nursing is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Louisiana State Board of Nursing, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**1.C. BASIS OF PRESENTATION**

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**1.D. ASSETS, LIABILITIES AND NET ASSETS**

**Cash and Cash Equivalents, Investments**

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of 90 days or less.

Investments are carried at fair value. Fair value is based on quoted market price.

**Receivables**

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses and interest which are accrued when earned.

**Prepays**

Prepays reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

**Capital Assets and Depreciation**

Proprietary fund fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$5,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

-	Equipment	5-7 years
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**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**Compensated Absences**

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for these compensated absences is recorded as long-term debt in the proprietary fund statements. The current portion of this debt can not be estimated and accordingly, it is reported as a noncurrent liability.

**Equity Classifications**

Equity is classified as net assets and may be displayed in three components:

- a. Investment in Capital Assets, net of related debt— Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of “restricted” or “investment in capital assets”.

**1.E. REVENUES AND EXPENSES**

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

**NOTE 2. - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

**2.A. FUND ACCOUNTING REQUIREMENTS**

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required funds.

**2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS**

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

collateral to the Board must have a written collateral agreement approved by the Board of Directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 49:327 and the Board's investment policy.

**NOTE 3. - DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detailed information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

**3.A. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Nursing may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Nursing may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts or federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

The deposits at June 30, 2009, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ 3,899,386.97	-	\$ 3,899,386.97
Bank Balances Insured by FDIC	250,000.00		250,000.00
Bank Balances of Deposits Exposed to Custodial Credit Risk			
a. Uninsured and uncollateralized	-	-	-
b. Uninsured and collateralized with securities held by the pledging institute	-	-	-
c. Uninsured and collateralized with securities held by the pledging institutions's trust department or agent but not in the entity's name	3,744,090.17	-	3,744,090.17
Total Bank Balances - All Deposits	<u>\$ 3,994,090.17</u>	<u>-</u>	<u>\$ 3,994,090.17</u>

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

Reconciliation to Statement of Net Assets:

Petty cash	\$ 100.00
Unrestricted cash	<u>3,899,386.97</u>
Total Cash	<u><u>\$ 3,899,486.97</u></u>

**3.B. INVESTMENTS**

At year end the Board had the following investments and maturities:

	Fair Value	Maturity
Federal Home Loan Bank	<u>\$ 4,058,491.56</u>	Less than one Year

The Board limits its interest rate risk by limiting its investing to securities with terms of one year or less. Credit risk is managed by limiting investments to those allowed under State law, which includes instruments issued by State or Federal governments.

**3.C. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2009, was as follows:

	Balance at June 30, 2008	Additions	Disposals	Balance at June 30, 2009
Capital Assets, not being depreciated				
Land	\$ 1,150,000.00	-	-	\$ 1,150,000.00
Building	-	-	-	-
Total Capital Assets, not being depreciated	<u>1,150,000.00</u>	<u>-</u>	<u>-</u>	<u>1,150,000.00</u>
Capital Assets, being depreciated				
Equipment	358,156.75	42,961.00	-	401,117.75
Building	2,400,012.00	7,983.83	-	2,407,995.83
Furniture and Fixtures	<u>57,533.32</u>	<u>-</u>	<u>-</u>	<u>57,533.32</u>
Total Capital Assets, being depreciated	<u>2,815,702.07</u>	<u>50,944.83</u>	<u>-</u>	<u>2,866,646.90</u>
Accumulated Depreciation				
Equipment	(117,625.04)	(68,206.92)	-	(185,831.96)
Building	(60,124.63)	(60,324.23)	-	(120,448.86)
Furniture and Fixtures	<u>(5,753.33)</u>	<u>(5,753.33)</u>	<u>-</u>	<u>(11,506.66)</u>
Total Accumulated Depreciation	<u>(183,503.00)</u>	<u>(134,284.48)</u>	<u>-</u>	<u>(317,787.48)</u>
Total Capital Assets, net	<u>\$ 3,782,199.07</u>	<u>\$ (83,339.65)</u>	<u>-</u>	<u>\$ 3,698,859.42</u>

**LOUISIANA STATE BOARD OF NURSING  
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**3.D. ACCOUNTS PAYABLE**

Payables in the general fund is composed of payables to vendors (32%) and accrued salaries and benefits (68%).

**3.E. LONG-TERM DEBT**

**Governmental Activities**

As of June 30, 2009, the governmental long-term debt of the Board consists of the following:

Accrued Compensated Absences	\$ 162,807.99
Note payable	1,962,634.85
OPEB Payable	<u>817,281.00</u>
Total Governmental activity debt	<u><u>\$ 2,942,723.84</u></u>

The note payable to Capital One dated October 27, 2006, is in the amount of \$2,235,000.00 to be repaid in monthly installments of \$18,782.51 over 180 months at 5.85% interest. The building and land are pledged as collateral for the loan.

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2009:

Type of Debt	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Current Portion
Accrued Compensated Absences	\$ 157,202.20	\$ 48,601.97	\$ (42,996.18)	\$ 162,807.99	-
Note Payable	2,069,768.39		(107,133.54)	1,962,634.85	\$ 111,800.61
OPEB Payable	<u>396,416.32</u>	<u>420,864.68</u>	<u>-</u>	<u>817,281.00</u>	<u>-</u>
Total General Long-Term Debt	<u><u>\$ 2,623,386.91</u></u>	<u><u>\$ 469,466.65</u></u>	<u><u>\$ (150,129.72)</u></u>	<u><u>\$ 2,942,723.84</u></u>	<u><u>\$ 111,800.61</u></u>

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Future Requirements to Amortize the Note Payable are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2010	113,589.51	111,800.61
2011	120,415.60	104,974.52
2012	127,651.89	97,738.23
2013	135,323.04	90,067.08
2014	143,455.18	81,934.94
2015-2019	857,428.07	269,522.53
2020-2024	464,771.56	31,730.82
Total	<u>\$ 1,962,634.85</u>	<u>\$ 787,768.73</u>

**NOTE 4. - OTHER NOTES**

**4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

**Pension Plan**

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

Members are required by state statute to contribute at 7.5% of gross salary. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for fiscal year ended June 30, 2009, remained 18.5% of annual covered payroll from the 20.4% and 19.1% required in fiscal years ended June 30, 2008 and 2007 respectively. The board contributions to the System for the year ending June 30, 2009, 2008 and 2007 are \$319,922.82, \$342,283.52, and \$270,427.93 respectively, equal to the required contributions for that year.

**Post Employment Health Care and Life Insurance Benefits**

Substantially all Board employees become eligible for post employment health care, dental, and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through the insurance company whose premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits as an

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expenditure when paid during the year. For the year ended June 30, 2009, the cost of providing those benefits for seven retirees totaled \$42,816.42.

**Deferred Compensation Plan**

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

**4.B. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**4.C. RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The Board manages these various risks of loss as follows:

<b>Type of Loss</b>	<b>Method Managed</b>	<b>Risk Retained</b>
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**Public Entity Risk Pool**

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

**4.D. COMMITMENTS AND CONTINGENCIES**

**Contingencies**

**Litigation**

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

**4.E. COMPENSATION PAID TO BOARD MEMBERS**

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised

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Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the Board, and such reimbursement shall not exceed \$75.00 per day.

Commissioner	June 30, 2009	
	Meetings	Amount
James Harper	2	\$ 150.00
Robert A. Bass	1	75.00
Carlene MacMillan	9	675.00
Deborah Olds	7	525.00
Larry J. Haley	4	300.00
William St. John LaCort, MD	1	75.00
Michelle Oswald	9	675.00
Bonnie Johnson	6	450.00
Demetrius Porche	2	150.00
Nora F. Steele	11	825.00
*Gail Poirrier	6	450.00
Total	58	\$ 4,350.00

\*\$450.00 was paid to the University of Louisiana at Lafayette for Gail Poirrier.

#### **4.F POST EMPLOYMENT HEALTH CARE PLAN**

During the year ended June 30, 2008, the Agency implemented GASB 45, *Post Employment Benefits Other Than Pension Benefits*.

Substantially all Agency employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the Agency. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Agency. At June 30, 2009, seven retirees were receiving post-employment benefits.

##### **Plan Description**

The Agency's employees may participate in the State of Louisiana's Other Post Employment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan (for fiscal year 2008) that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The State administers the plan through the Office of Group Benefits. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap).

##### **Funding Policy**

The contribution requirements of plan members and the Agency are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on

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a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The Office of Group Benefits offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Exclusive Provider Organization (EPO) Plan, and the Health Maintenance Organization (HMO) Plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans which includes one HMO plan and one private fee-for-service (PFF) plan. Depending upon the plan selected, during the year ended June 30, 2009, employee premiums for a single member receiving benefits range from \$79 to \$95 per month for retiree-only coverage with Medicare or \$130 to \$176 per month for retiree-only coverage without Medicare. The premiums for a retiree and spouse for the year ended June 30, 2009, range from \$69 to \$165 per month for those with Medicare or from \$422 to \$512 per month for those without Medicare.

The plan is currently financed on a pay-as-you-go basis, with the Agency contributing anywhere from \$236 to \$246 per month for retiree-only coverage with Medicare or from \$838 to \$873 per month for retiree-only coverage without Medicare during the year ended June 30, 2009. Also, the Agency's contributions range from \$425 to \$442 per month for retiree and spouse with Medicare or \$1,287 to \$1,341 for retiree and spouse without Medicare.

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by the Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays one half of the premium. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with AD&D coverage ceasing at age 70 for retirees.

**Annual OPEB Cost**

The Agency's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2008, is \$462,972.00 as set forth below:

Normal Cost	\$ 295,100.00
30-year UAL amortization amount	150,065.00
Interest on the above	17,807.00
Annual required contribution (ARC)	<u>\$ 462,972.00</u>



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The following table presents the Agency's OPEB Obligation for the year ended June 30, 2009:

Beginning Net OPEB Obligation July 1, 2008 (NOO)	\$ 396,416.00
Annual required contribution	\$ 462,972.00
Interest on NOO	15,857.00
ARC Adjustment	(15,148.00)
Current Annual OPEB Cost	463,681.00
Contributions made	(42,816.00)
Claim costs	-
Ending Net OPEB Obligation June 30, 2009	<u>\$ 817,281.00</u>

Utilizing the pay-as-you-go method, the Agency contributed 9.23% of the annual post employment benefits cost during the year ended June 30, 2009.

**Funded Status and Funding Progress**

In the year ended June 30, 2009, the Agency made no contributions to its post employment benefits plan trust. A trust was established during the year ended June 30, 2008, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the entire actuarial liability of \$704,200.00 was unfunded.

The funded status of the plan as of July 1, 2008, was as follows:

Actuarial accrued liability (AAL)	\$ 3,927,200
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 3,927,200</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employee covered by the plan)	\$ 1,906,731
UAAL as a percentage of covered payroll	206%

**Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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**LOUISIANA STATE BOARD OF NURSING  
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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8.5% and 8.8% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2008, was twenty-six years.

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**OTHER REPORTS REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

**LEROY J. CHUSTZ**  
**CPA, APAC**  
P. O. Box 158  
Denham Springs, LA 70727-0158  
225/667-2700  
Fax: 225/667-3553

**BEVERLY A. RYALL**  
**CPA**  
7426 President Drive  
Baton Rouge, LA 70817  
225/752-5147  
Fax: 225/752-5147

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board Members of  
Louisiana State Board of Nursing  
Department of Health and Hospitals  
State of Louisiana  
Baton Rouge, Louisiana**

We have audited the basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, and have issued our report thereon dated August 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the **Louisiana State Board of Nursing's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Louisiana State Board of Nursing's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **Louisiana State Board of Nursing's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the **Louisiana State Board of Nursing's** basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

This report is intended for the information and use of the **Louisiana State Board of Nursing** and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other

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than these specified parties. Under provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

*Leroy J. Chustz*  
Certified Public Accountant, APAC  
August 17, 2009

*Beverly A. Ryall*  
Certified Public Accountant

**LOUISIANA STATE BOARD OF NURSING  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2009**

We have audited the basic financial statements of Louisiana State Board of Nursing as of and for the year ended June 30, 2009, and have issued our report thereon dated August 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United states of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2009 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

**A. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

**B. Federal Awards ☒ Not Applicable**

Internal Control

Material Weaknesses ☐ Yes ☐ No Reportable Conditions ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐  
For Major Programs Disclaimer ☐ Adverse ☐

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐  
Yes ☐ No

Was a management letter issued? ☐ Yes ☐ No

**C. Identification of Major Programs:**

**CFDA Number(s)**

**Name of Federal Program (or Cluster)**

Dollar threshold used to distinguish between Type A and Type B Programs: \$ \_\_\_\_\_

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

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**LOUISIANA STATE BOARD OF NURSING  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
For the Year Ended June 30, 2009**

**Section II Financial Statement Findings**

No Section II Findings.

**Section III Federal Award Findings and Questioned Costs**

No Section III Findings.

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**LOUISIANA STATE BOARD OF NURSING  
SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2009**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL  
STATEMENTS**

No Section I Findings.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

No Section II Findings.

**SECTION III MANAGEMENT LETTER**

No Section III Findings.



**LEROY J. CHUSTZ**  
**CPA, APAC**  
P. O. Box 158  
Denham Springs, LA 70727-0158  
225/6675-2700  
Fax: 225/667-3553

**BEVERLY A. RYALL**  
**CPA**  
7426 President Drive  
Baton Rouge, LA 70817  
225/752-5147  
Fax: 225/752-5147

To the Board of Commissioners of  
Louisiana State Board of Nursing

We have audited the financial statements of the business-type activities of Louisiana State Board of Nursing for the year ended June 30, 2009, and have issued our report thereon dated August 17, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated May 21, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As a part of our audit, we considered the internal control of the Louisiana State Board of Nursing. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As a part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Louisiana State Board of Nursing's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our responsibility for other information in documents containing the entity's financial statements and report does not extend beyond the financial information identified in the report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents, such as management's discussion and analysis and supplementary budgetary statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our Entrance Memorandum about planning matters on May 29, 2009.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policy used by Louisiana State Board of Nursing is described in Note 1 to the financial statements; no new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense and useful life of capital assets is based on policy guidelines. We evaluated the key factors and assumptions used to develop the capital asset policy in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Other Post Employment Benefit expense and liability are particularly complex and market and time sensitive. The values presented are based on information provided by Office of Statewide Accounting and Reporting Policy. We were unable to perform adequate procedures on the work of the specialists to support an opinion on such data.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Two adjustments were identified in the course of our audit which were not recorded the aggregate total of which is \$10,564.65. These passed adjustments have been discussed with management.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 17, 2009.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the government unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the members of the Board and management of the Louisiana State Board of Nursing and is not intended to be and should not be used by anyone other than these specified parties.

*Leroy J. Chustz*  
Certified Public Accountant, APAC  
August 17, 2009

*Beverly A. Ryall*  
Certified Public Accountant

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**SUPPLEMENTAL INFORMATION REQUIRED BY**  
**STATE OF LOUISIANA**  
**DIVISION OF ADMINISTRATION**  
**OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The following pages contain a report on the Board's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

**ROY HEBERT**  
**CERTIFIED PUBLIC ACCOUNTANT**

7938 GOODWOOD BOULEVARD  
BATON ROUGE, LOUISIANA 70806-7629  
(225) 927-7555  
(225) 927-7556 FAX  
ROYABEAR@BELLSOUTH.NET

MEMBER OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
Louisiana State Board of Nursing  
Baton Rouge, Louisiana

I have compiled the balance sheet of the Louisiana State Board of Nursing as of June 30, 2009, and the related statements of revenues, expenses, and changes in fund net assets, activities, and cash flows for the year then ended in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy, information that is the representation of management. I have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.



Roy Hebert, CPA

July 20, 2009

BOBBY JINDAL  
GOVERNOR



ANGELE DAVIS  
COMMISSIONER OF ADMINISTRATION

# State of Louisiana

## Division of Administration Office of Statewide Reporting and Accounting Policy

June 26, 2009

Dear Sir or Madam:

Attached is the Annual Fiscal Report (AFR) packet that has been developed by the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) to be used by entities reporting as **Business-type Activities (BTAs)** (including proprietary fund agencies, boards and commissions, districts, authorities, and discretely presented component units) of the state of Louisiana. This packet, which contains Management's Discussion & Analysis (MD&A), a Simplified Statement of Activities, and Schedule 5 (Schedule of Current Year Revenue and Expenses Budgetary Comparison of Current Appropriation) are required for reporting the results of operations of these BTAs for the fiscal period ending June 30, 2009. Last year, OSRAP provided 3 BTA packets (one with MD&A, one without MD&A, and one to be completed by the Internal Service Fund entities). **This year, we have consolidated the three BTA packets into a single packet; however, you are not required to complete MD&A or Schedule 5 if you were not required to do so last year. Appendix A includes a list of entities that are required to complete MD&A and/or Schedule 5 and a list of the Internal Service Fund entities that are not required to complete the Simplified Statement of Activities.** Entities whose reporting year end is other than June 30, 2009, should prepare the statement for the fiscal period ending between July 1, 2008, and June 30, 2009. *This packet is a Word document with embedded Excel spreadsheets for the financial statements and schedules, and is available on OSRAP's website at [www.doa.la.gov/osrap/index.htm](http://www.doa.la.gov/osrap/index.htm) (select "AFR Packets" and then select "Business-Type Activities (BTA)").*

The financial information for each BTA will be included in Louisiana's Comprehensive Annual Financial Report (CAFR). To assist us in publishing the State's financial report within statutory deadlines, the deadline for the AFR packet is **August 31, 2009**. No extensions will be granted whether you use a CPA firm to prepare your statements or prepare them in-house. Your cooperation in this matter is appreciated.

**The format provided in this packet must be used and this packet should be included in the report you submit to OSRAP.** Some of you will use an outside auditor (or the Legislative Auditor) to complete your report. They may use a form different from the one enclosed. In this situation, the enclosed packet will be a part of the auditor's report and labeled "Required Supplementary Information". Your auditor must ensure that OSRAP's financial report reflects the same information as the one prepared by the Legislative Auditor or the outside firm. The only differences should be the titles of some accounts and the format of the statements.

*If your entity issued additional bonded debt, include copies of the amortization schedules for this debt with the packet you submit.*

OSRAP requires all component units of the state to report as "Special-purpose Governments Engaged Only in Business-type Activities (BTAs)". As a BTA, your entity must provide the financial statements required for enterprise funds per Governmental Accounting Standards Board (GASB) 34. These statements and required supplementary information (RSI) are: MD&A; Balance Sheet; Statement of Revenues, Expenses, and Changes in Fund Net Assets; Statement of Cash Flows; Notes to the Financial Statements; and Required Supplementary Information other than MD&A, if applicable.

As an Enterprise fund or a component unit of the state, your entity must be rolled up into the government-wide Statement of Activities of the state under GASB 34 reporting requirements. To accomplish this, all enterprise funds and all component units reporting as special purpose governments engaged only in business-type activities (**not applicable to Internal Service Funds**) are required to prepare a simplified **Statement of Activities**. This statement is not part of your entity's separately issued financial statements, but is necessary to complete the CAFR. A simplified Statement of Activities containing the information needed for CAFR preparation, as well as instructions on how to complete it, are included in this packet.

The Statement of Cash Flows included in this packet is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method), as required by GASB 34.

The MD&A should be a brief and objective analysis of your entity's financial performance for the year. **If your entity is required to prepare the MD&A**, it should include comparisons of current year results to the previous year, including discussions of both the positive and negative aspects of the comparison. It should be easily understood by an average reader; accordingly, the use of charts, graphs, and tables is encouraged to enhance the understandability of the information. GASB 34 requires specific information to be included in the MD&A. An MD&A template has been provided as an example in this packet; however, you do not have to use this template. You may prepare your own in accordance with GASB 34.

The financial statements and schedules should be prepared using the economic resources measurement focus and the full accrual basis of accounting, as required by GASB 34. All financial data should be rounded to the nearest dollar. If an audit has changed your prior year ending fund balance, use that as your beginning fund balance and complete Note AA to explain the difference.

Please note that under GASB 34, transfers are only reported between entities that are part of the primary government of the state, not between the primary government and its component units. Therefore, transfers required to be reported throughout this packet apply only to enterprise funds. If your entity is a component unit of the state, do not report transfers. Transactions between the primary government and its component units will be reported as revenues and expenses.

GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB) was implemented last year. OPEB includes medical, dental, vision, and life insurance for retirees. If your entity subsidizes OPEB insurance premiums for your entity's retirees, then your entity has an OPEB plan. Consistent with last year, annual OPEB cost should be reported as an expense and the net OPEB liability should be reported on the Balance Sheet.

*The State of Louisiana Office of Group Benefits Post-Retirement Benefit Valuation Report under GASB 45 as of July 1, 2008, Expense development for fiscal year ending June 30 2009* is on OSRAP's website. To access this report go to [www.doa.louisiana.gov/osrap/index.htm](http://www.doa.louisiana.gov/osrap/index.htm), select "AFR packets", then scroll down and select "GASB 45 OPEB Valuation Report as of July 1, 2008, to be used for fiscal year ending June 30, 2009." The OPEB actuarial valuation report lists the annual required contribution (ARC) for all CAFR entities. The report is as of July 1, 2008, and should be used for the 2009 fiscal year. Information on how to calculate the annual OPEB expense and the net OPEB obligation can be found on page two of the actuarial valuation report and in Appendix D of this packet. The net OPEB obligation should be recorded on the Statement of Net Assets on the OPEB payable account line.

**In the OPEB note disclosure, Note I, report the numbers used to compute the June 30, 2009, net OPEB obligation if your OPEB plan is administered by OGB. You can obtain your entity's beginning net OPEB obligation from the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008" on OSRAP's website. Add the ARC and the interest on the beginning net OPEB obligation, subtract the ARC adjustment and your entity's 2009 retiree costs (e.g., OGB retiree group insurance premiums), and add or subtract related adjustments, if any, to arrive at the June 30, 2009, net OPEB obligation for your entity. If OGB is the only administrator of your OPEB, then the retiree costs and adjustments should equal the amount paid by your entity to OGB.**

If your healthcare plan is administered by a group other than OGB or if your entity prepares separately issued financial statements in accordance with GAAP, your entity should make the note disclosures required by GASB Statements No. 43 and 45. A summary of the note disclosure requirements are listed in Note I of this packet. If your only healthcare and life insurance provider for retirees is OGB, your entity will have no additional note disclosures for OSRAP, except for the OPEB calculation in Note I, section (1). **For more information relating to GASB 43 and 45, see Appendix D in the back of this packet and see OSRAP memos 06-26 and 09-05 on OSRAP's website.**

Several new GASB Statements (GASB Statements No. 49, 52, 55, and 56) are being implemented for this fiscal year end. GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, requires all governments to account for pollution remediation obligations in the same manner and requires the reporting of pollution remediation obligations that previously may not have been reported. Pollution Remediation Obligations address the current or potential detrimental effects of existing pollution by participating in remediation activities. When one of five obligating events identified by the GASB occurs, the components of the expected pollution remediation outlays must be estimated and a determination made whether the outlays should be accrued as a liability or capitalized when goods and services are acquired, as appropriate.

Pollution remediation liabilities must be measured based on the pollution remediation outlays expected to be incurred to settle these liabilities. It must be based on "reasonable and supportable" assumptions of future events that may affect the eventual settlement of the liability, and should be measured and reported at current value. The current value of the liability should be based on applicable federal, state, or local laws or regulations that have been approved, regardless of their effective date and the technology expected to be used for the cleanup.



Pollution remediation costs (or revenues, in certain situations) should be reported in the Statement of Activities and in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. These costs should be reported as program or operating expenses (or revenue), a special item, or an extraordinary item, as appropriate. Pollution remediation outlays should be capitalized in the fund statements in certain specific circumstances. Note EE—Pollution Remediation Obligations—provides a sample disclosure. For more information, see OSRAP Memo 09-24.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, requires that permanent and term endowments, including permanent funds, report their land and other real estate investments at fair value as opposed to historical cost. The fair value note disclosures in Note C, Deposits with Financial Institutions and Investments, apply to these investments. See OSRAP memo 09-21 for more information relating to GASB 52.

GASB Statement 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. GASB Statement 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, incorporates certain accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' auditing literature into the GASB authoritative literature for state and local governments. These two statements are intended to provide a single source for governmental GAAP and make it easier to identify and apply relevant accounting guidance. Neither of these two statements will cause any changes in the AFR (financial statements or notes to the financial statements).

Legal compliance must also be met and consequently supplementary schedules fulfilling that legal compliance must also be completed. The submitted financial packet should include at a minimum:

1. Notarized Affidavit
2. MD&A (Management's Discussion & Analysis) – (if applicable)
3. Balance Sheet as of June 30, 2009, or Fiscal Year End Date other than June 30, 2009
4. Statement of Revenues, Expenses, and Changes in Fund Net Assets for the period ending June 30, 2009, or Fiscal Year End Date other than June 30, 2009
5. Statement of Activities (simplified version for OSRAP) – (if applicable)
6. Statement of Cash Flows – Direct Method
7. Notes to the Financial Statements
8. Supplementary Schedules
  - a) Schedule 1 Schedule of Per Diem Paid to Board Members
  - b) Schedule 3A-3B Schedules of Long-Term Debt
  - c) Schedule 4A-4C Schedules of Long-Term Debt Amortization

June 26, 2009

Page 5

- d)      Schedule 5              Schedule of Current Year Revenue and Expenses-  
   Budgetary Comparison of Current Appropriation – Non-  
   GAAP Basis (only applicable for entities whose budget is  
   appropriated by the legislature)
- e)      Schedule 15              Comparison Figures
- f)      Schedule 16              Cooperative Endeavors

Schedule 5, Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis, is required to be prepared by any entity that has a legislatively appropriated budget based on an act during the legislative session for fiscal year 2008/2009.

Schedule 8, Schedule of Federal Financial Assistance, will be sent separately.

The AFR must be forwarded under separate cover to **both** the Division of Administration, OSRAP (Post Office Box 94095, Baton Rouge, LA 70804-9095) and to the Legislative Auditor's Office (Post Office Box 94397, Baton Rouge, Louisiana 70804-9397) no later than **August 31, 2009**. OSRAP's physical address is: 1201 N. Third Street, Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130, Baton Rouge, LA 70802. Be certain that copies of all reports, statements, and schedules are included. Please note the affidavit sent to the Office of Statewide Reporting must be the original, signed and notarized document, while the affidavit sent to the Legislative Auditor may be a copy of the original. The Legislative Auditor's Office will not send out separate affidavit forms.

**Any changes from last year in the AFR's instructions, statements, or notes appear in bold lettering. Do not staple the report; use a binder clip.**

If you have any questions concerning the above, please contact Tandra Boults (for boards and commissions), Deborah Zundel, Inga Kimbrough, or a member of my staff at (225) 342-0708.

Sincerely,

Afranie Adomako, CPA  
Director

AA:mh

Enclosure

Louisiana State Board of Nursing  
(Agency Name)  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2009

C O N T E N T S

TRANSMITTAL LETTER  
AFFIDAVIT

Statements

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MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities (Additional information in Appendix B)	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments (See Appendix C)
D.	Capital Assets – Including Capital Lease Assets
E.	Inventories
F.	Restricted Assets
G.	Leave
H.	Retirement System
I.	Other Postemployment Benefits (Additional information in Appendix D)
J.	Leases
K.	Long-Term Liabilities
L.	Contingent Liabilities
M.	Related Party Transactions
N.	Accounting Changes
O.	In-Kind Contributions
P.	Defeased Issues
Q.	Revenues or Receivables – Pledged or Sold (GASB 48) (See Appendix E)
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets
BB.	Net Assets Restricted by Enabling Legislation (See Appendix F)
CC.	Impairment of Capital Assets (See Appendix G)
DD.	Employee Termination Benefits
EE.	Pollution Remediation Obligations

## **Schedules**

- 1**      **Schedule of Per Diem Paid to Board Members**
- 2**      **Not Applicable**
- 3**      **Schedules of Long-Term Debt**
- 4**      **Schedules of Long-Term Debt Amortization**
- 5**      **Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis (applicable only for entities whose budget is appropriated by the legislature)**
- 15**     **Schedule of Comparison Figures and Instructions**
- 16**     **Schedule of Cooperative Endeavors (see Appendix H)**

## **Appendix**

- A**      **General Instructions for Preparation of the Consolidated BTA AFR**
- B**      **Instructions for the Simplified Statement of Activities**
- C**      **Information for Note C – Deposits with Financial Institutions & Investments**
- D**      **Information for Note I – Other Postemployment Benefits**
- E**      **Information for Note Q – Revenues or Receivables – Pledged or Sold (GASB 48)**
- F**      **Information for Note BB – Net Assets Restricted by Enabling Legislation**
- G**      **Information for Note CC – Impairment of Capital Assets**
- H**      **Information for Schedule 16 – Cooperative Endeavors**

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ending June 30, 20\_\_\_\_

Schedule Number \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Agency Name & Mailing Address)

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Physical Address:  
1201 N. Third Street  
Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130  
Baton Rouge, Louisiana 70802

Physical Address:  
1600 N. Third Street  
Baton Rouge, Louisiana 70802

**AFFIDAVIT**

Personally came and appeared before the undersigned authority, \_\_\_\_\_ (Name)  
(Title) of \_\_\_\_\_ (Agency) who duly sworn, deposes and says, that the financial  
statements herewith given present fairly the financial position of \_\_\_\_\_ (agency) at  
June 30, \_\_\_\_ and the results of operations for the year then ended in accordance with policies and practices  
established by the Division of Administration or in accordance with Generally Accepted Accounting  
Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before  
me, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Agency Official

\_\_\_\_\_  
NOTARY PUBLIC

Prepared by: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Date: \_\_\_\_\_

Email Address: \_\_\_\_\_

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing (BTA)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2009**

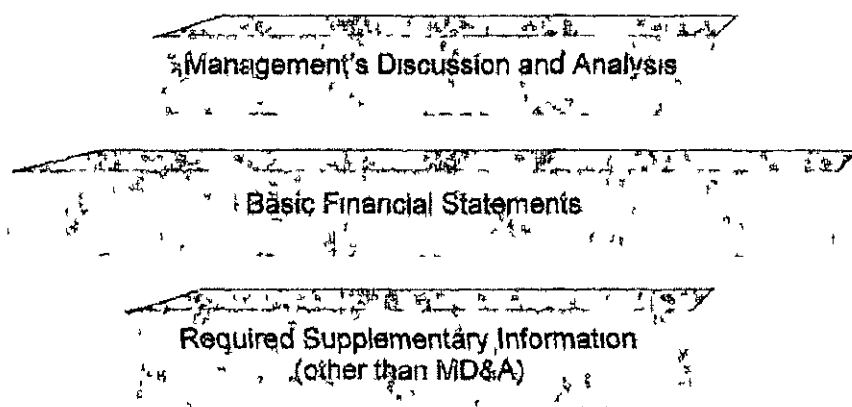
Management's Discussion and Analysis of the \_\_\_\_\_'s (BTA) financial performance presents a narrative overview and analysis of \_\_\_\_\_'s (BTA) financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages \_\_\_\_ - \_\_\_\_ and the \_\_\_\_\_'s (BTA) financial statements, which begin on page \_\_\_\_.

**FINANCIAL HIGHLIGHTS**

- ☆ The \_\_\_\_\_'s (BTA) assets exceeded its liabilities at the close of fiscal year 2009 by \_\_\_\_\_, which represents a \_\_\_\_% increase from last fiscal year. The net assets decreased by \$ \_\_\_\_\_ (or \_\_\_\_%).
- ☆ The \_\_\_\_\_'s (BTA) revenue increased \$ \_\_\_\_\_ (or \_\_\_\_%) and the net results from activities increased by \$ \_\_\_\_\_ (or \_\_\_\_%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

**Basic Financial Statements**

The basic financial statements present information for the \_\_\_\_\_ (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet, the Statement of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows.

The Balance Sheet (pages \_\_\_\_ - \_\_\_\_) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the \_\_\_\_\_ (BTA) is improving or deteriorating.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing (BTA)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2009**

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (pages \_\_\_ - \_\_\_) presents information showing how \_\_\_\_\_'s (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages \_\_\_ - \_\_\_) presents information showing how \_\_\_\_\_'s (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets as of June 30, _____ (in thousands)		
	Total	
	2009	2008
Current and other assets	\$ _____	\$ _____
Capital assets	_____	_____
Total assets	_____	_____
Other liabilities	_____	_____
Long-term debt outstanding	_____	_____
Total liabilities	_____	_____
Net assets:		
Invested in capital assets, net of debt	_____	_____
Restricted	_____	_____
Unrestricted	_____	_____
Total net assets	\$ _____	\$ _____

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of \_\_\_\_\_'s (BTA) (decreased / increased) by \$\_\_\_\_\_, or \_\_\_\_\_%, from June 30, 2008 to June 30, 2009. The primary reason is due to the addition/deletion of \_\_\_\_\_. Other causes include \_\_\_\_\_.

STATE OF LOUISIANA  
Louisiana State Board of Nursing (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2009

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
for the years ended June 30, \_\_\_\_  
(in thousands)

	Total	
	2009	2008
Operating revenues	\$	\$
Operating expenses		
Operating income (loss)		
Non-operating revenues		
Non-operating expenses		
Income (loss) before transfers		
Transfers in		
Transfers out		
Net increase (decrease) in net assets	\$	\$

\* Enter expenses as a negative amount.

The \_\_\_\_\_'s (BTA) total revenues (decreased / increased) by \$ \_\_\_\_\_ or (\_\_\_\_%) The total cost of all programs and services (decreased / increased) by \$ \_\_\_\_\_ or \_\_\_\_%.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal year ended June 30, 2009, the \_\_\_\_\_ (BTA) had \$ \_\_\_\_\_ invested in a broad range of capital assets, including \_\_\_\_\_ (see accompanying Table). This amount represents a net (decrease / increase) (including additions and deductions) of \$ \_\_\_\_\_, or \_\_\_\_%, over last year.

This year's major additions included (in thousands).

- o
- o
- o

	2009	2008
Land	\$	\$
Buildings and improvements		
Equipment		
Infrastructure		
Totals	\$ -	\$ -



**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing (BTA)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30 2009**

**Debt**

The \_\_\_\_\_ (BTA) had \$ \_\_\_\_\_ thousand in bonds and notes outstanding at year end compared to \$ \_\_\_\_\_ thousand last year a (decrease / increase) of \_\_\_\_\_ % as shown in the accompanying table

Outstanding Debt at Year End (In thousands)	
	2009
General Obligation Bonds	
Revenue Bonds and Notes	
Total	

New debt resulted from \_\_\_\_\_ The \_\_\_\_\_ (BTA) s bond rating continues to carry the \_\_\_\_\_ rating for general obligation bonds and \_\_\_\_\_ rating for other debt

The \_\_\_\_\_ (BTA) has claims and judgments of \$ \_\_\_\_\_ outstanding at year end compared with \$ \_\_\_\_\_ last year Other obligations include accrued vacation pay and sick leave

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$ \_\_\_\_\_ million over/under budget and expenditures were more than/less than budget due in part to \_\_\_\_\_

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The \_\_\_\_\_ s (BTA) elected and appointed officials considered the following factors and indicators when setting next year s budget rates and fees

- o
- o
- o

The \_\_\_\_\_ (BTA) expects that next year s results will improve based on the following

- o
- o
- o

**CONTACTING THE \_\_\_\_\_'S (BTA) MANAGEMENT**

This financial report is designed to provide our citizens taxpayers customers and investors and creditors with a general overview of the \_\_\_\_\_ s (BTA) finances and to show the \_\_\_\_\_ s (BTA) accountability for the money it receives If you have questions about this report or need additional financial information contact \_\_\_\_\_ at \_\_\_\_\_

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**BALANCE SHEET**  
**AS OF June 30, 2009**

**Statement A**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 3,899,487
Investments	4,058,492
Receivables (net of allowance for doubtful accounts)(Note U)	300
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	19,008
Notes receivable	
Other current assets	
Total current assets	7,977,287

**NONCURRENT ASSETS:**

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	1,150,000
Buildings and improvements	2,287,547
Machinery and equipment	261,312
Infrastructure	
Construction-in-progress	
Other noncurrent assets	
Total noncurrent assets	3,698,859
Total assets	\$ 11,676,146

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$ 64,285
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	135,551
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	111,800
Bonds payable	
Other long-term liabilities	
Total current liabilities	311,636

**NONCURRENT LIABILITIES: (Note K)**

Contracts payable	
Compensated absences payable	162,808
Capital lease obligations	
Claims and litigation payable	
Notes payable	1,850,835
Bonds payable	
OPEB payable	
Other long-term liabilities	817,281
Total noncurrent liabilities	2,830,924
Total liabilities	3,142,560

**NET ASSETS**

Invested in capital assets, net of related debt	1,736,224
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	6,797,362
Total net assets	8,533,586
Total liabilities and net assets	\$ 11,676,146

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**BALANCE SHEET**  
**AS OF June 30, 2009**

**Statement A**

The accompanying notes are an integral part of this financial statement.

## STATE OF LOUISIANA

## Statement B

## Louisiana State Board of Nursing(BTA)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED June 30, 2009**OPERATING REVENUES**

Sales of commodities and services	\$
Assessments/enforcement actions	164,505
Use of money and property	
Licenses, permits, and fees	4,897,940
Other	242,329
Total operating revenues	5,304,774

**OPERATING EXPENSES**

Cost of sales and services	
Administrative	4,132,217
Depreciation	134,284
Amortization	
Total operating expenses	4,266,501
Operating income(loss)	1,038,273

**NON-OPERATING REVENUES(EXPENSES)**

State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	106,997
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	(118,257)
Other revenue	
Other expense	
Total non-operating revenues(expenses)	(11,260)

Income(loss) before contributions, extraordinary items, & transfers 1,027,013

Capital contributions  
Extraordinary item - Loss on impairment of capital assets  
Transfers in  
Transfers out

Change in net assets 1,027,013

Total net assets – beginning 7,506,573

Total net assets – ending \$ 8,533,586

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA  
Louisiana State Board of Nursing(BTA)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED June 30, 2009

Statement C

See Appendix B for instructions

		Program Revenues		
		Operating	Capital	
	Expenses	Charges for	Grants and	Net (Expense)
		Services	Grants and	Revenue and
		Contributions	Contributions	Changes in
				Net Assets
Entity	\$ 4,384,758	\$ 5,304,774	\$	\$ 920,016
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				106,997
Miscellaneous				
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				106,997
Change in net assets				1,027,013
Net assets - beginning as restated				7,506,573
Net assets - ending				\$ 8,533,586

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED June 30, 2009**

**Statement D**  
**(continued)**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 5,304,774	
Cash payments to suppliers for goods and services	(1,622,702)	
Cash payments to employees for services	(2,459,449)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		1,222,623
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing		-
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable	(107,134)	
Interest paid on notes payable	(118,256)	
Acquisition/construction of capital assets	(50,945)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(276,335)
<b>Cash flows from Investing activities</b>		
Purchases of investment securities	(4,162,884)	
Proceeds from sale of investment securities	4,080,026	
Interest and dividends earned on investment securities	106,997	
Net cash provided(used) by investing activities		24,339
Net increase(decrease) in cash and cash equivalents		970,627
Cash and cash equivalents at beginning of year		2,928,860.00
Cash and cash equivalents at end of year	\$	3,899,487

**Statement D**  
(concluded)

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED June 30, 2009**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)	\$	<u>1,038,273</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	<u>134,284</u>	
Provision for uncollectible accounts	<u></u>	
Other	<u></u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>2,241</u>	
(Increase)decrease in due from other funds	<u></u>	
(Increase)decrease in prepayments	<u>654</u>	
(Increase)decrease in inventories	<u></u>	
(Increase)decrease in other assets	<u></u>	
Increase(decrease) in accounts payable and accruals	<u>(398,604)</u>	
Increase(decrease) in compensated absences payable	<u>5,606</u>	
Increase(decrease) in due to other funds	<u></u>	
Increase(decrease) in deferred revenues	<u></u>	
Increase(decrease) in OPEB payable	<u>420,865</u>	
Increase(decrease) in other liabilities	<u>19,304</u>	
Net cash provided(used) by operating activities	\$	<u>1,222,623</u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease(s)	\$	<u></u>
Contributions of fixed assets	<u></u>	
Purchases of equipment on account	<u></u>	
Asset trade-ins	<u></u>	
Other (specify)	<u></u>	
	<u></u>	
	<u></u>	
	<u></u>	
<b>Total noncash investing, capital, and financing activities:</b>	\$	<u>-</u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**INTRODUCTION**

The Louisiana State Board of Nursing(BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 39:91. The following is a brief description of the operations of the Louisiana State Board of Nursing(BTA) and includes the parish/parishes in which the (BTA) is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana State Board of Nursing(BTA) present information only as to the transactions of the programs of the Louisiana State Board of Nursing(BTA) as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana State Board of Nursing(BTA) are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Louisiana State Board of Nursing(BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:



**As of and for the year ended June 30, 2009**

		<u>APPROPRIATIONS</u>
Original approved budget	\$	<u>4,844,544</u>
Amendments:		<u>(911,762)</u>
		<u>                    </u>
		<u>                    </u>
Final approved budget	\$	<u>3,932,782</u>

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix C for information related to Note C.

## 1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Nursing(BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.**

The deposits at Jun3 30, 2009, consisted of the following:

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books (Balance Sheet)	\$ 3,899,487	\$ _____	\$ _____	\$ 3,899,487
Deposits in bank accounts per bank	\$ 3,994,090	\$ _____	\$ _____	\$ 3,994,090
<i>Bank balances of deposits exposed to custodial credit risk:</i>				
a. Deposits not insured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$ _____	\$ _____	\$ _____	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name.	\$ 3,894,090	\$ _____	\$ _____	\$ 3,894,090

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Capital One Bank	Operating account	\$ 3,710,636
2. Capital One Investments, LLC	Money market account	282,454
3. _____	_____	_____
4. _____	_____	_____
Total		\$ 3,993,090

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ 100

**2. INVESTMENTS**

The Louisiana State Board of Nursing(BTA) does not maintain investment accounts as authorized by the State of Louisiana(Note legal provisions authorizing investments by (BTA)).

**Custodial Credit Risk**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<b>Total investments</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>

\* Unregistered - not registered in the name of the government or entity

\*\* These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix C for the definition of U.S. Government Obligations)

\*\*\* LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level

**3. DERIVATIVES**

The institution does/does not invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:

credit risk \_\_\_\_\_  
market risk \_\_\_\_\_  
legal risk \_\_\_\_\_

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

- b. Securities underlying reverse repurchase agreements \_\_\_\_\_
- c. Unrealized investment losses \_\_\_\_\_
- d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:
  - 1. Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  - 2. Description of the terms of the agreement \_\_\_\_\_
- e. Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet \_\_\_\_\_

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_
- j. Commitments on \_\_\_\_\_ (fiscal close) to repurchase securities under yield maintenance agreements \_\_\_\_\_
- k. Market value on \_\_\_\_\_ (fiscal close) of the securities to be repurchased \_\_\_\_\_
- l. Description of the terms of the agreements to repurchase \_\_\_\_\_
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_

Fair Value Disclosures (GASB 31)

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_
- s. Any involuntary participation in an external investment pool \_\_\_\_\_
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate \_\_\_\_\_
- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

Land and Other Real Estate Held as Investments by Endowments (GASB 52)

- v. \_\_\_\_\_ (agency/entity) owns land or other real estate held as investments by endowments. (yes/no) Land or real estate held as investments by endowments is reported at fair value in the entity's financial statements and any applicable fair value note disclosures are reported in the preceding fair value disclosure section.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2009						
	Prior Period Adjustments			Adjusted Balance 6/30/2008	Additions	Transfers*	Retirements
	Balance 6/30/2008	Adj. after submitted to OSRAP (+or-) -	Restatements (+or-) -				
<b>Capital assets not being depreciated</b>							
Land	\$ 1,150,000	\$ -	\$ -	\$ 1,150,000	\$ -	\$ -	\$ 1,150,000
Non-depreciable land improvements				-			-
Capitalized collections				-			-
Construction in progress				-			-
<b>Total capital assets not being depreciated</b>	<b>1,150,000</b>	<b>-</b>	<b>-</b>	<b>1,150,000</b>	<b>--</b>	<b>-</b>	<b>1,150,000</b>
<b>Other capital assets</b>							
Machinery and equipment	415,689			415,689	42,961		458,650
Less accumulated depreciation	(123,377)			(123,377)	(73,960)		(197,337)
<b>Total Machinery and equipment</b>	<b>292,312</b>	<b>-</b>	<b>-</b>	<b>292,312</b>	<b>(30,999)</b>	<b>-</b>	<b>261,313</b>
Buildings and improvements	2,400,012			2,400,012	7,984		2,407,996
Less accumulated depreciation	(60,125)			(60,125)	(60,324)		(120,449)
<b>Total buildings and improvements</b>	<b>2,339,887</b>	<b>-</b>	<b>-</b>	<b>2,339,887</b>	<b>(52,340)</b>	<b>-</b>	<b>2,287,547</b>
Depreciable land improvements				-			-
Less accumulated depreciation				-			-
<b>Total depreciable land improvements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Infrastructure				-			-
Less accumulated depreciation				-			-
<b>Total infrastructure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other capital assets</b>	<b>2,632,199</b>	<b>-</b>	<b>-</b>	<b>2,632,199</b>	<b>(83,339)</b>	<b>-</b>	<b>2,548,860</b>
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	1,150,000	-	-	1,150,000	-	-	1,150,000
Other capital assets, at cost	2,815,701	-	-	2,815,701	50,945	-	2,866,646
<b>Total cost of capital assets</b>	<b>3,965,701</b>	<b>-</b>	<b>-</b>	<b>3,965,701</b>	<b>50,945</b>	<b>-</b>	<b>4,016,646</b>
Less accumulated depreciation	(183,502)	-	-	(183,502)	(134,264)	-	(317,766)
<b>Capital assets, net</b>	<b>\$ 3,782,199</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,782,199</b>	<b>\$ (83,339)</b>	<b>\$ -</b>	<b>\$ 3,698,860</b>

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
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**As of and for the year ended June 30, 2009**

**E. INVENTORIES**

The BTA's inventories are valued using \_\_\_\_\_ (method of valuation – FIFO, LIFO, weighted average, moving average, specific identification, etc). These are perpetual inventories and are expensed when used.

**F. RESTRICTED ASSETS**

Restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the non-current assets section on Statement A, consist of \$ \_\_\_\_\_ in cash with fiscal agent, \$ \_\_\_\_\_ in receivables, and \$ \_\_\_\_\_ investment in \_\_\_\_\_ (identify the type of investments held.) State the purpose of the restrictions:  
\_\_\_\_\_

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Louisiana State Board of Nursing(BTA) has the following policy on annual and sick leave: (Describe leave policy.)

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**2. COMPENSATORY LEAVE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2009, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$ -0-. The leave payable is recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

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**As of and for the year ended June 30, 2009**

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

[http://www.lasers.state.la.us/PDFs/Publications\\_and\\_Reports/Fiscal\\_Documents/Comprehensive\\_Financial\\_Reports/Comprehensive%20Financial%20Reports\\_08.pdf](http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf)

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2009, decreased to 18.5% of annual covered payroll from the 20.1% and 20.1% required in fiscal years ended June 30, 2008 and 2007 respectively. The (BTA) contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$319,923, \$342,284, and \$270,428, respectively, equal to the required contributions for each year.

**I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.**



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**1. Calculation of Net OPEB Obligation**

(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)

Annual OPEB expense and net OPEB Obligation	
Fiscal year ending	6/30/2009
1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report)	\$462,972
2. *NOO, beginning of year (see <i>OPEB Liability Spreadsheet of FYE 6/30/08</i> on OSRAP's website)	396416
3. Amortization factor	26.17
4. Interest on NOO (4% x 2.)	\$15,857
5. ARC adjustment (2./3.)	\$15,148
6. Annual OPEB expense (1. + 4. - 5.)	\$463,681
7. Contributions (payments to OGB for retiree's cost of group Insurance 2009 premiums)	\$42,816
8. Adjustment to OGB billings for retirees' Insurance 2009 premiums	
9. **NOO, end of year (2. + 6. - 7 +or-8.)	\$817,281

\* This must be obtained from the OSRAP website on the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008"

\*\*This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2009 if your entity's only OPEB is administered by OGB.

For more information on calculating the annual OPEB expense and the net OPEB obligation, see page two of the OPEB actuarial valuation report on OSRAP's website [www.doa.louisiana.gov/osrap/index.htm](http://www.doa.louisiana.gov/osrap/index.htm), select "AFR packets", then scroll down and select "GASB 45 OPEB Valuation Report as of July 1, 2008, to be used for fiscal year ending June 30, 2009". Also, see Appendix D in the back of this packet.

**2. Note Disclosures**

If your only OPEB provider is OGB, your entity will have no OPEB note disclosures for OSRAP other than the OPEB calculation above; however, GASB 45 note disclosures are required for separately issued GAAP financial statements. Please provide OSRAP with the applicable GASB 43 and 45 note disclosures if your entity's OPEB group insurance plan is administered by an entity other than OGB. Following is a summary of the requirements of GASB Statement 45.

**I. Plan Description**

- Name of Plan
- Identify entity that administers the plan
- Type of plan
- Brief description of the types of benefits
- Authority under which benefit provisions are established or may be amended
- Whether the OPEB plan issues a stand-alone financial report or is included in the report of a PERS or another entity, and, if so how to obtain the report.

**II. Funding Policy**

- Authority under which the obligations of the plan members, employers, and other contributing entities (e.g., state contributions to local government plans) to contribute to the plan are established or may be amended.
- Required contribution rates of plan members (amount per member or percentage of covered payroll).
- Required contribution rates of the employer in accordance with the funding policy (in dollars or as percentage of current-year covered payroll) and, if applicable, legal or contractual maximum contribution rates: If the plan is a single-employer or agent plan and the rate differs significantly from the ARC, disclose how the rate is determined (e.g., by statute or contract) or that the plan is financed on a pay-as-you-go basis. If the plan is a cost-sharing plan, disclose the required contributions in dollars and the percentage of

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that amount contributed for the current year and each of the two preceding years, and how the required contribution rate is determined (e.g., by statute or by contract, or on an actuarially determined basis) or that the plan is financed on a pay-as-you-go basis.

**II. Additional disclosures for sole and agent employers for each plan:**

- a) For current year (CY), annual OPEB cost and the dollar amount of contributions made. If the employer has a net OPEB obligation, also disclose the components of annual OPEB cost (ARC, interest on the net OPEB obligation, and the adjustment to the ARC), the increase or decrease in the net OPEB obligation, and the net OPEB obligation at the end of the year.
- b) For the current year and each of the two preceding years, disclose annual OPEB cost, percentage of annual OPEB cost contributed that year, and net OPEB obligation at the end of the year. (For the first two years, the required information should be presented for the transition year, and for the current and transition years, respectively.)
- c) Information about the funded status of the plan as of the most recent valuation date, including the actuarial valuation date, the actuarial value of assets, the actuarial accrued liability, the total unfunded actuarial liability (or funding excess), the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll. The information should be calculated in accordance with the parameters. However, employers that meet the criteria in GASB Statement 45, paragraph 11 may elect to use the alternative measurement method discussed in GASB Statement 45, paragraphs 33 through 35. Employers that use the aggregate actuarial cost method should prepare this information using the entry age actuarial cost method for that purpose only.
- d) Information about the actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB plans is based, including the following:
  - 1) Disclosure that actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
  - 2) Disclosure that the required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.
  - 3) Disclosure that calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, if applicable, the employer should disclose that the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations (as discussed in the disclosure of funding policy in paragraph II(c) above) on the pattern of cost sharing between the employer and plan members in the future.
  - 4) Disclosure that actuarial calculations reflect a long-term perspective. In addition, if applicable, disclosure that, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.
  - 5) Identification of the actuarial methods and significant assumptions used to determine the ARC for the current year and the information required by paragraph III(c) above. The disclosures should include:
    - (a) The actuarial cost method.
    - (b) The method(s) used to determine the actuarial value of assets.
    - (c) The assumptions with respect to the inflation rate, investment return (including the method used to determine a blended rate for a partially funded plan, if applicable), postretirement benefit increases if applicable, projected salary increases if relevant to determination of the level of benefits, and, for postemployment healthcare plans, the healthcare cost trend rate. If the economic assumptions contemplate different rates for successive years (year-based or select and ultimate rates), the rates that should be disclosed are the initial and ultimate rates.
    - (d) The amortization method (level dollar or level percentage of projected payroll) and the amortization period (equivalent single amortization period, for plans that use multiple periods) for the most recent

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actuarial valuation and whether the period is closed or open. Employers that use the aggregate actuarial cost method should disclose that because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan.

**IV. Required Supplementary Information:**

Sole and agent employers should present the following information for the most recent actuarial valuation and the two preceding valuations:

- a. Information about the funding progress of the plan, including, for each valuation, each of the elements of information listed in paragraph III(c) above.
- b. Factors that significantly affect the identification of trends in the amounts reported, including, for example, changes in benefit provisions, the size or composition of the population covered by the plan, or the actuarial methods and assumptions used. (The amounts reported for prior years should not be restated.)

The information should be calculated in accordance with the parameters and should be presented as RSI. Employers that use the aggregate actuarial cost method should prepare the information using the entry age actuarial cost method and should disclose that fact and that the purpose of this disclosure is to provide information that approximates the funding progress of the plan.

If the cost-sharing plan in which an employer participates does not issue and make publicly available a stand-alone plan financial report prepared in accordance with the requirements of Statement 43, and the plan is not included in the financial report of a PERS or another entity, the cost-sharing employer should present as RSI in its own financial report schedules of funding progress and employer contributions for the plan (and notes to these schedules), prepared in accordance with the requirements of Statement 43. The employer should disclose that the information presented relates to the cost-sharing plan as a whole, of which the employer is one participating employer, and should provide information helpful for understanding the scale of the information presented relative to the employer.

**J. LEASES**

**NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year \_\_\_\_\_ amounted to \$\_\_\_\_\_. (Note: If lease payments extend past FY 2024, create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

Nature of lease	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015- 2019	FY 2020- 2024
Office Space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	_____	_____	_____	_____	_____	_____	_____
Land	_____	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

**2. CAPITAL LEASES**

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Capital leases (are/are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

**Schedule A should be used to report all capital leases including new leases in effect as of 6/30/09. In Schedule B, report only those new leases entered into during fiscal year 2008-2009.**

**SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2029, create additional rows and report these future minimum lease payments in five year increments.)**

<u>Year ending June 30:</u>	<u>Total</u>
2010	\$ _____
2011	_____
2012	_____
2013	_____
2014	_____
2015-2019	_____
2020-2024	_____
2025-2029	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

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**SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2029, create additional rows and report these future minimum lease payments in five year increments.)**

<u>Year ending June 30:</u>	<u>Total</u>
2010	\$ _____
2011	_____
2012	_____
2013	_____
2014	_____
2015-2019	_____
2020-2024	_____
2025-2029	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

**SCHEDULE C – LEAF CAPITAL LEASES**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases financed through the LEAF program, together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend**

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past FY2029, create additional rows and report these future minimum lease payments in five year increments.)

Year ending June 30:	<u>Total</u>
2010	\$ _____
2011	_____
2012	_____
2013	_____
2014	_____
2015-2019	_____
2020-2024	_____
2025-2029	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**3. LESSOR DIRECT FINANCING LEASES**

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectability of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remanining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____ -		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____ -		
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____ -		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2009 were \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

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The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2029, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2010	\$ _____
2011	_____
2012	_____
2013	_____
2014	_____
2015-2019	_____
2020-2024	_____
2025-2029	_____
Total	\$ _____

**4. LESSOR – OPERATING LEASE**

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of \_\_\_\_\_ 20\_\_:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ 0
b. Equipment	_____	_____	0
c. Land	_____	_____	0
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2029, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2010	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2011	_____	_____	_____	_____	_____
2012	_____	_____	_____	_____	_____
2013	_____	_____	_____	_____	_____
2014	_____	_____	_____	_____	_____
2015-2019	_____	_____	_____	_____	_____
2020-2024	_____	_____	_____	_____	_____
2025-2029	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current year lease revenues received in fiscal year \_\_\_\_\_ totaled \$ \_\_\_\_\_. Contingent rentals received from operating leases received for your fiscal year was \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

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**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009:  
 (Balances at June 30<sup>th</sup> should include current and non-current portion of long-term liabilities.)

	Balance June 30, 2008	Year ended June 30, 2009		Balance June 30, 2009	Amounts due within one year
		Additions	Reductions		
<b>Notes and bonds payable:</b>					
Notes payable	\$ 2,069,769	\$	\$ 107,134	\$ 1,962,635	\$ 111,800
Bonds payable					
Total notes and bonds	<u>2,069,769</u>	<u>--</u>	<u>107,134</u>	<u>1,962,635</u>	<u>111,800</u>
<b>Other liabilities:</b>					
Contracts payable					
Compensated absences payable	157,202	48,602	42,996	162,808	
Capital lease obligations					
Claims and litigation					
OPEB payable					
Other long-term liabilities					
Total other liabilities	<u>157,202</u>	<u>48,602</u>	<u>42,996</u>	<u>162,808</u>	<u>--</u>
Total long-term liabilities	<u>\$ 2,226,971</u>	<u>\$ 48,602</u>	<u>\$ 150,130</u>	<u>\$ 2,125,443</u>	<u>\$ 111,800</u>

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

**L. CONTINGENT LIABILITIES**

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC.** Losses or ending litigation that is probable should be reflected on the balance sheet.

The \_\_\_\_\_ (BTA) is a defendant in litigation seeking damages as follows: (Only list litigation not being handled by the Office of Risk Management or the Attorney General.)

Date of Action	Description of Litigation and Probable outcome (Probable, reasonably possible or remote)	Estimated Liability Amt for Claims & Litigation (Opinion of legal counsel)	Insurance Coverage
		\$	\$
Totals		\$ -	\$ -

\*Note: Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)



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Those agencies collecting federal funds, which have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance on a separate line in the chart.

	Program	Date of Disallowance	Amount	*Probability of Payment	Estimated Liability Amount**
1			\$		\$
2					
3					
4					

\* Reasonably possible, probable, or remote

\*\* Indicate only if amount can be reasonably estimated by legal counsel

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).

purchase of commercial insurance,

participation in a public entity risk pool (e.g., Office of Risk Management claims)

risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)

Other (explain) \_\_\_\_\_

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. \_\_\_\_\_

Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. \_\_\_\_\_

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it cannot be estimated. \_\_\_\_\_

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. \_\_\_\_\_

**M. RELATED PARTY TRANSACTIONS**

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. List all related party transactions. \_\_\_\_\_

**N. ACCOUNTING CHANGES**

Accounting changes made during the year involved a change in accounting \_\_\_\_\_ (principle, estimate or entity). The effect of the change is being shown in \_\_\_\_\_.

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**O. IN-KIND CONTRIBUTIONS**

List all in-kind contributions that are not included in the accompanying financial statements.

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
<b>Total</b>	<b>\$ _____ -</b>

**P. DEFEASED ISSUES**

In \_\_\_\_\_, 20\_\_\_\_, the \_\_\_\_\_ (BTA), issued \$\_\_\_\_\_ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of \_\_\_\_\_ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$\_\_\_\_\_, plus an additional \$\_\_\_\_\_ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated \_\_\_\_\_ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$\_\_\_\_\_ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$\_\_\_\_\_.

**Q. REVENUES – PLEDGED OR SOLD (GASB 48)**

**1. PLEDGED REVENUES**

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. **Pledged revenues are revenue bonds that the State Bond Commission or the Louisiana Public Facilities Authority has authorized in your agency's name or in your agency's behalf.** Pledged revenues must be disclosed for each period in which the secured debt remains outstanding. **You must prepare a separate Note Q for each secured debt issued.**

Provide the following information about the specific revenue pledged:

- Identify the specific pledged revenue:
  - Pledged revenue is \_\_\_\_\_
  - Debt secured by the pledged revenue (amount) \_\_\_\_\_
  - Approximate amount of pledge \_\_\_\_\_  
 (equal to the remaining principal and interest requirements)
- Term of the commitment: \_\_\_\_\_  
 [number of years (beginning and ending dates by month and year)  
 that the revenue will not be available for other purposes]
- General purpose for the debt secured by the pledge: \_\_\_\_\_

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- d. Relationship of the pledged amount to the specific revenue: \_\_\_\_\_  
 \_\_\_\_\_  
 (the proportion of the specific revenue that has been pledged)
- e. Comparison of the pledged revenues (current year information):
- Principal requirements: \_\_\_\_\_
  - Interest requirements: \_\_\_\_\_
  - Pledged revenues recognized during the period \_\_\_\_\_  
 (gross pledged revenue minus specified operating expenses)

**NOTE:** For any new Revenue Bonds, you must send a copy of the following pages:

- Cover page
- Introductory statement
- **Amortization schedule – terms and conditions**
- Plan of financing – sources and used of funds
- Security for the bond (pledged revenue information)

**2. FUTURE REVENUES REPORTED AS A SALE**

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues or receivables is effectively terminated. (see Appendix E)

Provide the following information in the year of the sale ONLY:

- a. Identify the specific revenue sold:
- the revenue sold is \_\_\_\_\_
  - the approximate amount \_\_\_\_\_
  - significant assumptions used in determining the approximate amount \_\_\_\_\_
- b. Period of the sale: \_\_\_\_\_
- c. Relationship of the sold amount to the total for that specific revenue: \_\_\_\_\_
- d. Comparison of the sale:
- proceeds of the sale \_\_\_\_\_
  - present value of the future revenues sold \_\_\_\_\_
  - significant assumptions in determining the present value \_\_\_\_\_

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)**

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2008-2009:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____ -

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**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**

At June 30, 20\_\_, the \_\_\_\_\_ (BTA) was not in compliance with the provisions of \_\_\_\_\_ Bond Reserve Covenant that requires \_\_\_\_\_. The \_\_\_\_\_ (BTA) did \_\_\_\_\_ to correct this deficiency.

**T. SHORT-TERM DEBT**

The \_\_\_\_\_ (BTA) issues short-term notes for the following purpose(s) \_\_\_\_\_

Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____ -

The \_\_\_\_\_ (BTA) uses the following revolving line of credit for to finance \_\_\_\_\_ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit	\$ _____	\$ _____	\$ _____	\$ _____ -

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at June 30, 2009, were as follows:

Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -
\$ 300	\$ -	\$ -	\$ -	\$ 300
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 300	\$ -	\$ -	\$ -	\$ 300
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -

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**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 64,285	\$ 135,551	\$	\$	\$ 199,836
Total payables	\$ 64,285	\$ 135,551	\$ -	\$ -	\$ 199,836

**W. SUBSEQUENT EVENTS**

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.

**X. SEGMENT INFORMATION**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

Segment No. 1 \_\_\_\_\_

Segment No. 2 \_\_\_\_\_

**A. Condensed balance sheet:**

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTAs should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

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Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ -	_____ -
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ -	_____ -
Beginning net assets	_____	_____
Ending net assets	_____ -	_____ -

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
  - (a) Operating activities
  - (b) Noncapital financing activities
  - (c) Capital and related financing activities
  - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

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Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____	_____

**Y. DUE TO/DUE FROM AND TRANSFERS**

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:  
 (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ _____

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**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the liabilities section on Statement A, consist of \$ \_\_\_\_\_ in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning net assets for June 30, 20\_\_.

Ending net assets 6/30/08 as reported to OSRAP on PY AFR	*Adjustments to end net assets 6/30/08 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/08) + or (-)	Beg net assets @ 7/1/08 as restated
\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Each adjustment must be explained in detail on a separate sheet.

\*Include all audit adjustments accepted by the agency or entity.

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)**

Of the total net assets reported on Statement A at June 30, 20\_\_, \$ \_\_\_\_\_ are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Refer to Appendix F for more details on the determination of the amount to be reported as required by GASB Statement 46. List below the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

<u>Purpose of Restriction</u>	<u>LA Revised Statute Authorizing Revenue</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total	_____	\$ _____

**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES**

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets and for insurance recoveries. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See Appendix G for more information on GASB 42 and the Impairment of Capital Assets.

The following capital assets became permanently impaired in FY 08-09: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the



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impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in Appendix G, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Insurance Recovery in the same FY</u>	<u>Net Impairment Loss per Financial Stmt</u>	<u>Financial Statement Classification</u>	<u>Appendix G Indicator of Impairment</u>	<u>Reason for Impairment (e.g. hurricane, fire)</u>
Buildings	\$ _____	\$ _____	\$ _____	_____	_____	_____
Movable Property	_____	_____	_____	_____	_____	_____
Infrastructure	_____	_____	_____	_____	_____	_____

Insurance recoveries received in FY 08-09 related to impairment losses occurring in previous years, and insurance recoveries received in FY 08-09 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

<u>Type of asset</u>	<u>Amount of Insurance Recovery</u>	<u>Financial Statement Classification</u>	<u>Reason for insurance recovery (e.g. fire)</u>
Buildings	\$ _____	_____	_____
Movable Property	_____	_____	_____
Infrastructure	_____	_____	_____

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year: (Include any permanently impaired capital assets listed above that are still idle at the end of the fiscal year, any temporarily impaired capital assets, and any assets impaired in prior years that are still idle at the end of the current fiscal year.)

<u>Type of asset</u>	<u>Carrying Value of Idle Impaired Assets</u>	<u>Reason for Impairment</u>
Buildings - permanently impaired	\$ _____	_____
Buildings - temporarily impaired	_____	_____
Movable Property - permanently impaired	_____	_____
Movable Property - temporarily impaired	_____	_____
Infrastructure - permanently impaired	_____	_____
Infrastructure - temporarily impaired	_____	_____

**DD. EMPLOYEE TERMINATION BENEFITS**

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations

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initiated by employees. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan.

**Refer to GASB No. 47, Summary, Recognition Requirements – “Involuntary” termination is recognized when there is a plan of termination approved by the government. “For financial reporting purposes, a plan of involuntary termination is defined as a plan that (a) identifies, at a minimum, the number of employees to be terminated, the job classifications or functions that will be affected and their locations, and when the terminations are expected to occur and (b) establishes the terms of the termination benefits in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated.” This does not only include lay-off plans, but can include “an early-retirement incentive program that affects a significant portion of employees.”**

Other termination benefits paid as part of a plan, as described above, may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Healthcare coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits:

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

**The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.**

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2008, the cost of providing those benefits for \_\_\_\_\_ (number of) voluntary terminations totaled \$\_\_\_\_\_. For 2008, the cost of providing those benefits for \_\_\_\_\_ (number of) involuntary terminations totaled \$\_\_\_\_\_.

[The termination benefits (voluntary and involuntary) paid in FY 2008 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line “Administrative” in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, \_\_\_\_\_ is \$\_\_\_\_\_. This liability consists of \_\_\_\_\_ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, \_\_\_\_\_ is \$\_\_\_\_\_. This liability consists of \_\_\_\_\_ (number of) involuntary terminations.

[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the “compensated absences payable” account line.]

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If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

---

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

**EE. POLLUTION REMEDIATION OBLIGATIONS (BTA)**

Pollution remediation costs (or revenue) should be reported in the statement of activities and statement of revenues, expenses, and changes in fund net assets, if appropriate, as a program or operating expense (or revenue), special item, or extraordinary item in accordance with the guidance in Statement 34.

**Disclosures**

For recognized pollution remediation liabilities and recoveries of pollution remediation outlays, governments should disclose the following:

- a. The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations)
- b. The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations
- c. Estimated recoveries reducing the liability.

For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities.

**SAMPLE disclosure:** (This is a sample disclosure. Adapt as necessary to fit your specific agency.)

A preliminary site assessment has been done which revealed \_\_\_\_\_ (asbestos, polluted ground water, leaking underground fuel storage tanks, etc.) on \_\_\_\_\_ agency's/entity's property. A possible explanation for this is \_\_\_\_\_. Further investigation to determine the full nature and extent of this contamination and required remediation has lead to a potential liability of \$ \_\_\_\_\_. The \_\_\_\_\_ (agency) paid \$ \_\_\_\_\_ in remediation costs for fiscal year 2009 and is reporting a balance of \$ \_\_\_\_\_ for the liability. At this time the complete cost for remediation is unable to be estimated as a result of future remediation contracts, inflation, and the amount of time involved. As these costs become estimable and costs incurred, the liability will be adjusted.

Name	Amount
Robert A. Bass	\$ 75
Larry J. Haley	300
James Harper	150
Bonnie Johnson	450
Carlene MacMillan	675
Debbie Olds	525
Michelle Oswald	675
Demetrius Porsche	150
William St. John Lacorte	75
Nora F. Steele	825
Gail Poirrier	450
Total	\$ 4,350

## SCHEDULE 1

SCHEDULE 3 A

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**SCHEDULE OF NOTES PAYABLE**  
**June 30, 2009**  
**(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
N/A	10/18/06	\$2,235,000	\$2,069,769	\$ _____	\$1,962,635	5.85	\$ -0-
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		<u>\$2,235,000</u>	<u>\$2,069,769</u>	<u>\$ _____</u>	<u>\$1,962,635</u>		<u>\$ -0-</u>

\*Send copies of new amortization schedules

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**SCHEDULE OF BONDS PAYABLE**  
**June 30, 2009**  
**(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

\*Send copies of new amortization schedules

**STATE OF LOUISIANA**  
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**SCHEDULE OF CAPITAL LEASE AMORTIZATION**  
**For The Year Ended June 30, 2009**

<u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2010	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u> --
2011	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2012	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2013	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2014	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2015-2019	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2020-2024	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2025-2029	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
2030-2034	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> --
Total	\$ <u>          </u> --	\$ <u>          </u> --	\$ <u>          </u> --	\$ <u>          </u> --



**STATE OF LOUISIANA**  
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**SCHEDULE OF NOTES PAYABLE AMORTIZATION**  
**For the Year Ended June 30, 2009**

<b>Fiscal Year</b> <b><u>Ending:</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2010	\$ <u>113,590</u>	\$ <u>111,800</u>
2011	<u>120,415</u>	<u>104,975</u>
2012	<u>127,652</u>	<u>97,738</u>
2013	<u>135,323</u>	<u>90,067</u>
2014	<u>143,455</u>	<u>81,835</u>
2015-2019	<u>857,428</u>	<u>269,522</u>
2020-2024	<u>464,772</u>	<u>31,731</u>
2025-2029	<u>                    </u>	<u>                    </u>
2030-2034	<u>                    </u>	<u>                    </u>
<b>Total</b>	<b>\$ <u>1,962,635</u></b>	<b>\$ <u>787,768</u></b>

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**Louisiana State Board of Nursing(BTA)**  
**SCHEDULE OF BONDS PAYABLE AMORTIZATION**  
**For The Year Ended June 30, 2009**

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ _____	\$ _____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
Total	\$ _____	\$ _____

STATE OF LOUISIANA  
Louisiana State Board of Nursing(BTA)  
**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES**  
**BUDGETARY COMPARISON OF CURRENT APPROPRIATION**  
**NON-GAAP BASIS**  
**JUNE 30, 2009**

Financial Statement	Adjustments	ISIS Appropriation Report-08/14/09	Revised Budget	Variance Positive/(Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$	\$	\$	-
Federal Funds		-		-
Sales of Commodities and Services		-		-
Other		-		-
Total appropriated revenues	-	-	-	-
<b>Expenses:</b>				
Cost of goods sold	\$	\$	\$	-
Personal services		-		-
Travel		-		-
Operating Services		-		-
Supplies		-		-
Professional services		-		-
Other charges		-		-
Capital outlay		-		-
Interagency transfers		-		-
Debt service		-		-
Other:				
Bad debts		-		-
Depreciation		-		-
Compensated absences		-		-
Interest expense		-		-
Other (Identify)		-		-
Total appropriated expenses	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	\$ -	\$ -	\$ -	-

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing** (BTA)  
**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES**  
**BUDGETARY COMPARISON OF CURRENT APPROPRIATION**  
**NON-GAAP BASIS**  
**June 30, 2009**

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____ -

**Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.**

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing(BTA)**  
**COMPARISON FIGURES**

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>5,411,711</u>	\$ <u>5,460,535</u>	\$ <u>48,824</u>	<u>.89%</u>
Expenses	<u>4,384,758</u>	<u>4,499,792</u>	<u>115,034</u>	<u>2.56%</u>
2) Capital assets	<u>3,698,859</u>	<u>3,782,199</u>	<u>-</u>	<u>2.20%</u>
Long-term debt	<u>2,125,443</u>	<u>2,226,971</u>	<u>101,528</u>	<u>4.56%</u>
Net Assets	<u>8,533,586</u>	<u>7,506,573</u>	<u>1,027,013</u>	<u>13.68%</u>

Explanation for changes: The increase in net assets is a result of net income for the year ended June 30, 2009.

SCHEDULE 15

AGENCY NUMBER \_\_\_\_\_  
AGENCY NAME The Louisiana State Board of

[illegible]